



Department of Justice

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**JUSTICE DEPARTMENT ALLOWS EXPANSION OF CREDIT INFORMATION
EXCHANGE AMONGST TELECOMMUNICATIONS
CARRIERS AND OTHER UTILITIES**

WASHINGTON, D.C. -- The Department of Justice approved the National Consumer Telecommunications Data Exchange's (NCTDE) proposal to expand its credit data exchange service to include other utility industries. The approval allows NCTDE, currently providing credit histories to telecommunications carriers, to open its membership to the electric power, gas and water industries.

The proposed credit information exchange will allow participating carriers and utilities to submit to Equifax, an independent third-party vendor, data on closed accounts with unpaid balances. Each member will make its own decision regarding whether, or on what conditions, it will deal with a residential customer who has failed to pay their outstanding debt.

In addition to alerting themselves to potential bad paying customers, telecommunications carriers and other utilities want to improve their debt collection methods. Currently, NCTDE members can skip trace, or locate residential customers with outstanding debt, as a means of reducing unpaid bills and toll fraud. This service was approved as part of NCTDE's 1997 request and subsequent Justice Department approval to provide credit information to the telecommunications market.

NCTDE's services allow members to ask Equifax if their defaulting former customer has applied for service with another carrier. Customer service applications can be tracked through a

skip trace report and will contain the customer's current address. The service enables the carrier or utility to trace the customer to a new location and seek recovery.

NCTDE has developed a number of procedures designed to eliminate the risk that the proposed credit information exchange will have any anticompetitive effect. It will exchange data only in electronic or written form; only with regard to closed accounts; and only through the third party vendor, Equifax. The information to be exchanged through the vendor will not identify the carriers or utilities supplying or requesting information. There will be no direct communications between members regarding any specific accounts.

To alleviate boycott concerns, the proposal provides that no information will be exchanged about consumer accounts, individual members' credit terms or practices, or how each member treats applicants for service that have been identified as having bad credit. Each member will retain the right to accept, deny or conditionally operate with problematic credit-history customers. Similarly, each member will make an independent decision on whether to take collection action against former customers located through NCTDE's skip tracing service.

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20004. After a 30-day period, the documents supporting the business review will be added to the file.

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